

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 DEAE-00 CIAE-00 INR-07 IO-13
JUSE-00 NSAE-00 SNM-02 TRSE-00 USIA-06 NSC-05
OES-07 OMB-01 AID-05 SS-15 IGA-02 ARAE-00 /074 W
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FM AMEMBASSY MEXICO

TO SECSTATE WASHDC PRIORITY 1895

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SUBJECT: NARCOTICS: AVIATION MAINTENANCE SUPPORT CON-
TRACT

REF: (A) STATE 060222; (B) MEXICO 05369

1. SUMMARY: MISSION PROPOSES FOUR-YEAR INCREMENTALLY-
FUNDED MAINTENANCE AND SUPPLY SUPPORT CONTRACT AS FOLLOW-
ON TO BELL CONTRACT. CONTRACT WOULD HAVE FOUR BASIC
ELEMENTS: TRAINING, TECHNICAL ASSISTANCE, SUPPLY, AND
INITIALLY A MAINTENANCE WORK FORCE TO AUGMENT EXISTING
ATTORNEY GENERAL (AG) SHORT-FALL IN MAINTENANCE.

2. THE RECENTLY-CONCLUDED SURVEY, CONDUCTED BY HALL
(AID/SER/INC), MISSION, AND AG PERSONNEL HAS CAUSED THOSE
CONDUCTING THE SURVEY TO REACH THE FOLLOWING CONCLUSIONS:
WHILE THE AG AERO SERVICES DIRECT SUPPORT WORK FORCE HAS
TRIPLED (FROM 22 TO 65) IN THE PAST TWO YEARS, THEY HAVE
NOT BEEN ABLE TO RECRUIT THE NUMBER OF REQUIRED QUALI-
FIED PERSONNEL IN PROPORTION TO THE ESCALATED GROWTH OF
THE FLEET. THE PREVIOUS AG ADMINISTRATION ACCORDED THE
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HIGHEST PRIORITY TO THE ERADICATION CAMPAIGN THROUGH EX-
TENSIVE SPRAYING OPERATIONS ON A YEAR-ROUND BASIS. WHILE
THIS POLICY SERVED THE ULTIMATE INTERESTS OF BOTH GOVERN-
MENTS, IT DID TEND TO PRECLUDE LONG-TERM TRAINING OF
DIRECT SUPPORT PERSONNEL. FEW, IF ANY QUALIFIED
HELICOPTER MECHANICS ARE AVAILABLE IN MEXICO. (AS AN EX-
AMPLE, THERE ARE 173 HELICOPTERS REGISTERED IN MEXICO

AND 150 TO 180 LICENSED ROTARY-WING MECHANICS.) THE ORGANIZATION IS INADEQUATE IN TERMS OF COMMAND LINES, PROCEDURES, AUTHORITY, AND RESPONSIBILITY. THE MONTHLY SHORT FALL IN REQUIRED DIRECT MAINTENANCE MAN-HOURS IS 3,400 HOURS, WHICH TRANSLATES INTO A SHORTAGE OF 34 MEXICAN MECHANICS. THERE IS ALSO A PERSONNEL SHORTAGE FOR INDIRECT MAINTENANCE FUNCTIONS.

3. THE JOINT SURVEY TEAM RECOMMENDED A REORGANIZATION PLAN WHICH REQUIRES A TOTAL OF 172 PERSONNEL IN MAINTENANCE AND SUPPLY FUNCTIONS (BOTH DIRECT AND INDIRECT SUPPORT). A RECOMMENDED ORGANIZATION STRUCTURE, TO INCLUDE POSITION DESCRIPTIONS DEFINING DUTIES, AUTHORITY, AND RESPONSIBILITIES, WAS PRESENTED TO THE AG'S EXECUTIVE OFFICER AT A LENGTHY MEETING, INCLUDING HIS SENIOR STAFF, AND WAS APPROVED SUBJECT TO REVIEW BY THE AG HIMSELF. SINCE A TOTAL CONTRACTOR-OPERATED FACILITY CONCEPT WAS REJECTED BY THE ATTORNEY GENERAL, A FOUR-YEAR INCREMENTALLY-FUNDED TECHNICAL, MAINTENANCE, AND SUPPLY SUPPORT CONTRACT WAS RECOMMENDED. THE PLAN, WHICH IS DESIGNED TO BUILD A TOTAL MEXICAN CAPABILITY, CALLS FOR AN INITIAL CONTRACTOR COMPLEMENT OF 37 PERSONNEL. AS AG PERSONNEL ARE RECRUITED AND TRAINED, AND AS THEY BECOME EFFECTIVE, THE CONTRACTOR PERSONNEL WILL BE PHASED OUT. THE MAJOR CONTRACTOR EFFORT WILL BE THE FIRST TWO YEARS WHILE MEXICANS ARE BEING RECRUITED AND TRAINED, WITH RESIDUAL SPECIALIST TRAINING AND ADVISORY EFFORT THE THIRD YEAR, AND ONLY KEY CONTRACTOR PERSONNEL REMAINING THE FOURTH YEAR. ESTIMATED COSTS \$1.8 MILLION FOR LIMITED OFFICIAL USE

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CONTRACTOR PERSONNEL FIRST AND SECOND YEARS. \$1.8 MILLION FOR SPARE PARTS FIRST YEAR; \$2.0 MILLION SECOND YEAR; \$2.25 MILLION THIRD YEAR; AND \$2.5 MILLION FOURTH YEAR. CONTRACTOR PERSONNEL COSTS THIRD YEAR ESTIMATED \$1.0 MILLION; AND FOURTH YEAR \$500,000. CONTINGENCY FOR CRASH DAMAGE EACH YEAR ESTIMATED AT \$500,000. TOTAL CONTRACT COST OVER FOUR-YEAR PERIOD ESTIMATED AT \$15.65 MILLION SUBDIVIDED AS FOLLOWS: (A) PERSONNEL - \$5.10 MILLION; (B) SPARES - \$8.55 MILLION; AND (C) CONTINGENCY - \$2.00 MILLION. (FYI: U.S. INVESTMENT FOR AVIATION CAPITAL EQUIPMENT SINCE BEGINNING OF PROGRAM TO ASSIST MEXICAN ERADICATION EFFORTS NOW ESTIMATED AT APPROXIMATELY \$32 MILLION. END FYI).

4. ADDRESSING PROBLEM AREAS NOTED BY JOINT SURVEY TEAM, ATTORNEY GENERAL'S OFFICE APPROVED RECOMMENDED REORGANIZATION OF MAINTENANCE AND SUPPLY FUNCTIONS AND HAS AGREED THAT EXISTING STAFFING LEVELS ARE INSUFFICIENT TO MEET MAINTENANCE NEEDS. THUS, NEW CONTRACTOR WILL HAVE A

DEFINITIVE ORGANIZATION AROUND WHICH TO BUILD A MAINTENANCE CAPABILITY. IN RECOGNITION OF OVERALL SHORTFALL IN MECHANICS, ATTORNEY GENERAL HAS INITIATED DISCUSSIONS WITH OTHER MAJOR GOVERNMENT USERS OF HELICOPTERS (PETROLEUM INDUSTRY AND ELECTRIC COMPANY) TO ESTABLISH OVERALL NEEDS OF ALL SECTORS FOR ROTARY-WING PILOTS AND MECHANICS OVER NEXT SEVERAL YEARS. WHEN THIS DATA COMPILED, AG PLANS TO REQUEST CONACYT (NATIONAL COUNCIL FOR SCIENCE AND TECHNOLOGY) TO PROVIDE TRAINING LOANS TO INTERESTED MEXICANS FOR LONG-TERM TRAINING (60 WEEKS IN SOME CASES) IN THE UNITED STATES. ON COMPLETION OF TRAINING, THESE INDIVIDUALS WOULD BE HIRED BY GOVERNMENT AGENCIES NEEDING PILOTS AND MECHANICS AND LOAN REPAYMENTS WOULD BE DEDUCTED FROM SALARY.

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5. AS REPORTED IN REF (B), AG HIMSELF STRONGLY PREFERS THAT CONTRACT BE SIGNED BY GOM, NOT RPT NOT BY USG, AS HE JUDGES THIS IS ONLY AVENUE TO REACH SELF-SUFFICIENCY DURING THIS ADMINISTRATION. EXECUTIVE OFFICER BAEZA HAS ASSURED EMBASSY THAT USG WILL BE INVITED TO PARTICIPATE TO WHATEVER DEGREE WE DESIRE AND, IN FACT, REQUESTED THAT WE PROVIDE A CONTRACT OFFICER ON TDY TO HELP GOM IN NEGOTIATIONS AND ALSO PROVIDE A CONTRACT OFFICER'S REPRESENTATIVE FOR AT LEAST SIX MONTHS TO ASSURE THAT CONTRACT IMPLEMENTATION BEGINS EFFECTIVELY. ANY SPECIFIC INTEREST WE MAY HAVE, SUCH AS APPROVING MAJOR PURCHASE ORDERS, CAN, BAEZA AGREES, BE WRITTEN INTO USG-GOM AGREEMENT WHICH PROVIDES FUNDING FOR GOM CONTRACT.

6. IN VIEW OF NEED TO HAVE NEW CONTRACT IN EFFECT ON JULY ONE, GOM PREFERS TO FOREGO COMPETITIVE BIDDING AND PROPOSES TO BEGIN NEGOTIATIONS IMMEDIATELY WITH PETROLEUM HELICOPTERS INC (PHI) OF LAFAYETTE, LA., WHICH GOM FEELS IS BEST QUALIFIED TO PROVIDE THE TYPES OF SERVICES OUTLINED IN THE SCOPE OF WORK DRAFTED BY AG PERSONNEL, AVIATION ADVISORS, AND HALL. (AVIATION ADVISORS AND HALL AGREE THAT PH COULD BE AN ACCEPTABLE CONTRACTOR IN VIEW OF ITS OPERATIONAL AND OUT-STATION LIMITED OFFICIAL USE

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EXPERIENCE IN OTHER LATIN AMERICAN COUNTRIES, THE PRESENCE OF ITS PERSONNEL HERE UNDER SUBCONTRACT TO BELL, AND ITS EXPERIENCE IN MAINTAINING ITS OWN LARGE FLEET OF BELL HELICOPTERS.) HALL HAND-CARRYING COPY OF SCOPE OF WORK TO WASHINGTON ON HIS RETURN. MISSION POUCHING FINAL VERSION OF APPROVED ORGANIZATION CHART.

7. IT SHOULD BE NOTED THAT IN CONFORMITY WITH WASHINGTON RECOMMENDATION, JOINT SURVEY TEAM ALSO DELVED INTO ORGANIZATION AND STAFFING OF AVIATION OPERATIONS. AG HIMSELF FOCUSED ON SOME OF MOST CRITICAL RECOMMENDATIONS PERTAINING TO DEFINING SPECIFIC AREAS OF RESPONSIBILITY FOR ZONE COORDINATORS, DESIGNATING CHIEFS OF OPERATION FOR BASES, AND NAMING BASE SUPPORT COORDINATOR ASSIGNED TO MEXICO CITY HANGAR. MISSION WILL REPORT ON AVIATION OPERATIONS DISCUSSIONS IN SEPARATE TELEGRAM.

8. ACTION REQUESTED: WE WOULD APPRECIATE WASHINGTON AUTHORIZATION TO INFORM AG THAT USG AGREES IN PRINCIPLE LIMITED OFFICIAL USE WITH ITS PROPOSED APPROACH TO NEW MAINTENANCE CONTRACT. IF APPROVED, WE WILL BEGIN DRAFTING OF FUNDING AGREEMENT FOR WASHINGTON REVIEW. WOULD ALSO APPRECIATE INDICATION OF WASHINGTON ABILITY TO PROVIDE CONTRACT OFFICER AND CONTRACT OFFICER'S REPRESENTATIVE AS OUTLINED IN PARA FIVE (FYI: FUNDING FOR THESE TWO POSITIONS AVAILABLE UNDER PARA VI OF MARCH 7, 1977, AGREEMENT). ADVISE. THOMPSON

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